



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

**Bulletin PF-22**  
**September 05, 2003**

To: All Connecticut Managed Care Organizations

Re: Increase of Coinsurance Range Acceptable to Connecticut Insurance Department

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Pursuant to its authority under sections 38a-567, 38a-513, 38a-481, 38a-183 and 38a-182(c) of the Connecticut General Statutes, the Connecticut Insurance Department had restricted the difference between in and out-of-network coinsurance benefits to no greater than 30%.

Based on a number of filings made by managed care organizations, discussions between the industry and the Insurance Department, and changing marketplace standards, the Connecticut Insurance Department is eliminating this restriction and will now simply require all coinsurance benefit filings to provide no less than 50% coverage. This will give more flexibility to health insurers and permit health care centers to lower their out-of-network benefit reimbursement levels from 70% to up to 50%.

A cap of 50% on all coinsurance is consistent with Connecticut law and the Federal Health Maintenance Organization Act, without violating principles of illusory benefits. Additionally, greater flexibility will permit managed care organizations in Connecticut to offer more products and services to those employers and individuals who might not otherwise be able to afford insurance coverage.

Any change to policies and subscriber agreements must be directed to the Life & Health Division accordingly. Questions concerning this issue may be directed to Mary Ellen Breault, Division Director for the Life & Health Division at 860-297-3857.

A handwritten signature in cursive script that reads "Susan F. Cogswell".

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Susan F. Cogswell  
Insurance Commissioner